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Message Text

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ORIGIN IO-13

INFO OCT-01 CIAE-00 CU-02 INR-07 NSAE-00 USIA-06 AF-10
ARA-06 EA-07 EUR-12 NEA-10 ISO-00 L-03 TRSE-00
SP-02 OIC-02 OMB-01 EB-07 AGRE-00 AID-05 /094 R

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APPROVED BY IO:CWMAYNES
IO/IBC/BA:WMSOUTHWORTH
IO/EX:DCELLER
IO/EX/IFM:SCUMMINS
IO/EX/IR:KCARROLL
L/UNA:AKRECZKO
----------040237Z 117943 /61
R 032142Z MAY 77
FM SECSTATE WASHDC
TO USMISSION GENEVA
INFO AMEMBASSY LONDON
AMCONSUL MONTREAL
AMEMBASSY NAIROBI
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY VIENNA
USMISSION IAEA VIENNA
USMISSION USUN NEW YORK

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NESCO, FODAG, MONTREAL FOR ICAO, VIENNA FOR UNIDO

E.O. 11652: N/A

TAGS: ETEL, ITU

SUBJECT: U.S. AGREEMENTS WITH UN SYSTEM ORGANIZATIONS RE
REIMBURSEMENT OF U.S. INCOME TAX
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REF: GENEVA 3104

1. U.S. MISSION CONCERN, EXPRESSED IN REFTEL, OVER CONSE-
QUENCES OF RECENT CHANGES IN U.S. TAX LAW IS SHARED BY
DEPARTMENT.

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2. AS THE MISSION IS AWARE, THERE IS LONG STANDING OPPOSITION TO EXEMPTING AMERICANS EMPLOYED BY INTERNATIONAL ORGANIZATIONS FROM U.S. TAXATION. WE ARE MAKING SOUNDINGS ON THE SUBJECT BUT ARE NOT OPTIMISTIC THAT THE TEMPER OF THE CONGRESS ON THIS ISSUE IS SUSCEPTIBLE TO CHANGE AT THIS TIME.

3. THE FOLLOWING CLARIFICATION OF APPARENT PROBLEM RAISED IN PARAGRAPH 4 OF REFTEL WILL BE HELPFUL TO MISSION. VOLUNTARY FUNDS BY DEFINITION, OF COURSE, DO NOT CONSTITUTE

ASSESSMENTS AND TAX REIMBURSEMENT OF U.S. TAXES IS THEREFORE NOT REPEAT NOT A CHARGE AGAINST THE VOLUNTARY CONTRIBUTIONS OF OTHER STATES. U.S. BUDGET AND ACCOUNTING PROCEDURES REQUIRE THAT ONE APPROPRIATION SHOULD NOT BE CHARGED FOR A PROGRAM FINANCED FROM A DIFFERENT APPROPRIATION. NORMAL BUDGET ASSESSMENTS AND TAX REIMBURSEMENT CHARGES ARE FUNDED BY STATE APPROPRIATION CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS (CIO) WHILE VOLUNTARY FUNDS COME FROM OTHER SOURCES, USUALLY FROM AID APPROPRIATIONS. THEREFORE, TAX REIMBURSEMENTS TO EMPLOYEES PAID FROM VOLUNTARY FUNDS SHOULD NOT BE CHARGED TO CIO FUNDS. THE DEPARTMENT'S LONG STANDING POSITION REMAINS THAT WE EXPECT SUCH REIMBURSEMENTS TO BE MADE OFF THE TOP OF THE U.S. VOLUNTARY CONTRIBUTION TO THE PROJECT FROM WHICH THE AFFECTED EMPLOYEE RECEIVES HIS SALARY.
VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: TELECOMMUNICATION, AGREEMENTS, FINANCIAL AGREEMENTS, INCOME TAXES
Control Number: n/a
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Sent Date: 03-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Subject: U.S. AGREEMENTS WITH UN SYSTEM ORGANIZATIONS RE REIMBURSEMENT OF U.S. INCOME TAX LIMITED OFFICIAL USE
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